

# Harry S. Truman Scholarship Foundation

## Congressional Justification

FY 2018

For additional information, contact:

Andrew Rich  
Executive Secretary  
202.395.3545  
[arich@truman.gov](mailto:arich@truman.gov)

Tara Yglesias  
Deputy Executive Secretary  
202.395.7434  
[tyglesias@truman.gov](mailto:tyglesias@truman.gov)

CONGRESSIONAL JUSTIFICATION  
FY 2018 BUDGET  
HARRY S. TRUMAN SCHOLARSHIP FOUNDATION

Table of Contents

Executive Summary	3
History and Program	5
Budget	7
Appropriation Request	8
Appropriation Language	9

## Executive Summary

### I. History of Congressional Appropriations

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Request	\$500,000	\$660,000	\$950,000	\$1,400,000	\$1,700,000	\$1,650,000
Appropriation	\$500,000	\$660,000	\$750,000	\$748,000	\$748,000	\$750,000

	FY 2015	FY 2016	FY 2017	FY2018
Request	\$1,932,000	\$1,810,000	\$1,860,500	\$1,971,500
Appropriation	\$750,000	\$1,000,000		

### II. Budget

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Trust Fund Revenue	\$2,496,838	\$1,259,022	\$1,772,157	\$1,323,229	\$1,119,941	\$1,222,959
Expenditures						
Scholar Payments	\$1,542,157	\$1,178,642	\$1,189,380	\$1,217,616	\$1,458,736	\$1,219,770
Scholar Programming Support & Selection	\$396,972	\$367,985	\$419,109	\$351,322	\$370,984	\$401,880
Salaries, Benefits, Overhead, & Communications	\$819,121	\$843,530	\$676,316	\$805,049	\$1,024,366 <sup>1</sup>	\$854,017
Total Expenditures	\$2,758,250	\$2,390,157	\$2,284,805	\$2,373,987	\$2,854,086	\$2,516,708

	FY 15	FY 16	FY 17 (est)	FY 18 (est)
Trust Fund Revenue	\$752,157	\$714,334	\$700,000	\$700,000
Expenditures				
Scholar Payments	\$1,213,122	\$1,020,942	\$1,300,000	\$1,300,000
Scholar Programming Support & Selection	\$384,332	\$446,931	\$476,500	\$476,500
Salaries, Benefits, Overhead & Communications	\$858,017	\$896,557	\$895,000	\$895,000
Total Expenditures	\$2,455,471	\$2,364,430	\$2,671,500	\$2,671,500

<sup>1</sup> In FY 2013, the Foundation incurred a \$200,000 expenditure for a new web infrastructure. The Foundation's old website was ten years old and no longer able to support the application and reporting requirements for the Truman Scholarship.

### **III. Harry S. Truman Scholarship Foundation Funding History**

The Harry S. Truman Scholarship Foundation was established by Congress in 1975 as the sole federal memorial to President Truman to support graduate education for young people committed to careers in public service. The authorizing statute mandated that the trust fund be invested solely in U.S. Treasury Securities. As a result of declining interest rates on Treasuries, the annual yield from the trust fund has declined by 79% (\$2.84m) from FY 2002 to FY 2016. The Foundation has cut its expenditures by 40% over the past fourteen years. Even with these significant reductions, the Foundation anticipates a budget deficit of \$1.972m for FY 2018 without the requested appropriation.

The original value of the scholarship in 1977 (\$20,000) covered the full average annual cost of tuition, room and board for four years of higher education. The cost of higher education has increased in excess of 500% since 1977. The Scholarship has increased only 50% since 1977 to \$30,000. The current value of the scholarship fails to cover even the cost of tuition alone for only two years of graduate study.

### **IV. FY 2018 Appropriation Request**

The Foundation requests an appropriation of \$1,971,500 in FY 2018 to offset the decline in trust fund revenues.

## History and Program

The Harry S. Truman Scholarship Foundation is an independent agency established by Congress in 1975 (P.L. 93-642; 20 U.S.C. 2001, et seq.) as the sole federal memorial to President Truman. The authorizing legislation charged the Foundation with the mission of encouraging exceptional college students to pursue careers in public service with support from Truman Scholarships.

The Truman Scholarship is a merit-based award available to college juniors who plan to pursue careers in government or elsewhere in public service. Truman Scholars receive up to \$30,000 for graduate or professional school, participate in leadership development activities, and have special opportunities for internships and employment with the federal government. The Truman Scholarship program has several components:

- ***The Selection Process:*** The Foundation conducts a national selection process to identify Truman Scholars. All accredited two and four-year U.S. institutions are eligible to nominate students for the award. Students apply for the Truman in their junior year of college and must complete a lengthy application. A Finalist Selection Committee reviews all nominated candidates (approximately 750 are received each year) and selects approximately one-third for interview. Sixteen Regional Review Panels in various locations around the country then interview finalists and select 60 students as Truman Scholars each year.
- ***Truman Scholars Leadership Week:*** All newly-selected Truman Scholars are required to attend a six-day orientation in order to become familiar with the services provided by the Foundation and the many pathways to public service. Scholars participate in seminars and workshops with distinguished Truman alumni and other public service leaders, a policy analysis project, a graduate school and career fair, and community service events.
- ***Summer Institute:*** Immediately after college graduation, Scholars have the opportunity to participate in a nine-week long Summer Institute in Washington, D.C. The Foundation arranges internships with government agencies and nonprofit organizations, seminars and workshops, meetings with Washington policymakers and Truman alumni, and opportunities for community building among Scholars.
- ***Truman-Albright Fellows Program:*** After Summer Institute, Scholars may elect to remain in Washington, D.C. for a full year in the Truman-Albright Fellows Program. Scholars are placed in public service jobs – most with the federal government – while participating in a graduate level public policy discussion, mentoring opportunities, and a community service program.
- ***Recruitment and Alumni Events:*** The Foundation travels to a number of colleges and universities, conferences, and meetings each year to increase awareness of the award as well as government and public service careers in

general. The Foundation also fosters community through events and social media among the more than 3,000 Truman Scholars who have been selected since the Foundation was established in 1975.

The Foundation is a small independent agency within the Executive Branch of the Federal government. The Foundation staff consists of the Executive Secretary, Deputy Executive Secretary, and, at full strength, four professional staff members. Two professional staff positions are unfilled at this time as a cost-saving measure. We have one short-term fellow working with us in order to save money. The current four person staff operates and manages all Foundation programs.

The Foundation Trust Fund was established with a \$30 million appropriation in 1976. Congress provided no additional funds until FY 2009. The authorizing legislation directed that this endowment be invested solely in U.S. Treasury Securities. The Foundation's operating budget has always come from interest earned from these Treasury Securities. With the significant decline in interest rates in recent years, the Foundation has experienced a substantial decline in revenue.

## Budget

The Harry S. Truman Scholarship Foundation requests an appropriation of \$1,971,500 for FY 2018 to cover the reduction in earnings from its Trust Fund. This is the ninth request for an appropriation since the Foundation’s initial appropriation in 1976.

### I. Revenue / Expense comparison FY 2002 through FY 2018

Declining federal financial support has seriously affected the Foundation’s ability to fulfill its mandate. Between 2002 and 2016, the Foundation experienced a 79% decline in earnings from its trust fund. The Foundation cut the operating budget by 40%. With interest rates on Treasuries still low, earnings on our trust fund continue to decline. Meanwhile, our obligations for payments on scholarships are now stable (based on prior year commitments to students).

FY	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenue	\$3.59	\$3.50	\$3.16	\$3.04	\$2.74	\$2.79	\$2.40	\$2.47	\$1.26
Expenses	\$3.94	\$3.34	\$3.38	\$3.28	\$2.95	\$2.95	\$2.75	\$2.76	\$2.39

FY	2011	2012	2013	2014	2015	2016	2017 (est)	2018 (est)
Revenue	\$1.77	\$1.32	\$1.12	\$1.22	\$0.75	\$0.71	\$0.70	\$0.70
Expenses	\$2.28	\$2.37	\$2.85	\$2.52	\$2.46	\$2.36	\$2.67	\$2.67

Amounts expressed in \$ millions.

### II. Budget Categories

The \$2.67m FY 2018 operating budget of the Foundation falls into the following categories:

Scholar Payments, Programming & Events	67%
Overhead & Salaries	33%

### III. Budget Detail

A more detailed budget for FY 2009 through FY 2018 is set forth below:

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Trust Fund Revenue	\$2,469,838	\$1,259,022	\$1,772,157	\$1,323,229	\$1,119,941	\$1,122,959
<b>Expenditures</b>						
Scholar Payments	\$1,542,156	\$1,178,642	\$1,189,380	\$1,217,616	\$1,458,736	\$1,219,770
Scholar Programming	\$349,438	\$320,258	\$377,947	\$298,281	\$311,159	\$339,392
Scholar Selection	\$47,534	\$47,728	\$41,162	\$53,527	\$59,825	\$62,488
Salaries & Benefits	\$563,968	\$675,740	\$508,525	\$638,640	\$648,100	\$684,840
Rent, Communications & Utilities	\$181,602	\$89,207	\$94,783	\$83,860	\$315,932	\$137,659
Contractor Services	\$60,717	\$64,025	\$63,213	\$57,764	\$44,675	\$51,963
Equipment	\$-0-	\$192	\$72	\$12,420	\$3,261	\$3,909
Printing	\$7,914	\$7,134	\$5,244	\$8,159	\$6,241	\$9,775
Board Travel	\$4,920	\$7,231	\$4,479	\$3,720	\$6,157	\$6,912
<b>Total Expenditures</b>	<b>\$2,758,250</b>	<b>\$2,390,157</b>	<b>\$2,884,805</b>	<b>\$2,373,987</b>	<b>\$2,854,086</b>	<b>\$2,516,708</b>

	FY 2015	FY 2016	FY 2017 (est)	FY 2018 (est)
Trust Fund Revenue	\$752,157	\$714,334	\$700,000	\$700,000
<b>Expenditures</b>				
Scholar Payments	\$1,213,122	\$1,020,942	\$1,300,000	\$1,300,000
Scholar Programming	\$327,431	\$390,432	\$409,000	\$409,000
Scholar Selection	\$56,901	\$56,499	\$67,500	\$67,500
Salaries & Benefits	\$635,784	\$688,110	\$685,000	\$685,000
Rent, Communications & Utilities	\$148,242	\$141,462	\$144,500	\$144,500
Contractor Services	\$59,250	\$46,495	\$50,000	\$50,000
Equipment	\$2,328	\$6,969	\$2,500	\$2,500
Printing	\$8,102	\$9,498	\$8,000	\$8,000
Board Travel	\$4,311	\$4,023	\$5,000	\$5,000
<b>Total Expenditures</b>	<b>\$2,455,471</b>	<b>\$2,364,430</b>	<b>\$2,671,500</b>	<b>\$2,671,500</b>

### Appropriations Requested

The Foundation requests an appropriation of \$1,971,500 for FY 2018 to offset the significant decline in revenue from the trust fund. The request is meant to prevent an incursion into the corpus of the trust fund. Without additional federal funding support, the Foundation will be required to spend \$1,971,500 of the corpus of the trust fund simply to maintain the already dramatically reduced annual operating budget. Such a reduction in the corpus of the trust fund would start a dramatic downward spiral in interest revenue for future years.

## **Appropriations Language**

For payment to the Harry S. Truman Scholarship Foundation Trust Fund established under section 10 of Public Law 93.642, the Harry S. Truman Memorial Scholarship Act (20 U.S.C. 2009), \$1,971,500 to remain available until expended.